

**BALD KNOLL MINE PROJECT**

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Kane County Commission
76 North Main
Kanab, Utah 84741

April 19, 1994

Attn: Mr. C. Glen Martin
Chairman

Gentlemen:

I have the unfortunate duty to inform you that the March Corporation has been "LOCKED" out of our access to the Bald Knoll Mine Site.

I have visited the site today and found that the gate at the entrance to Section 21, Township 40 South, Range 5 West, SLBM was locked and the entry posted with NO TRESPASSING signs on either side of the chain crossing the roadway. I also found that the lock on the chain had been changed and my access key no longer worked.

This action by the landowner is obviously in response to the Kane County Commissioners meeting held April 11, 1994 at which time the Commission reversed itself on a contract with the March Corporation as well as its position on a class D county road.

This incident severely impacts the March Corporation as well as jeopardizes our entire Bald Knoll Project. The recent ruling of the Commission has in effect totally halted our operations not to mention putting us in a very serious position with our current financing partners. We are now faced with the task of notifying these partners that they now have heavy equipment behind locked gates when in fact, we just assured these same people that our "CONTRACT" with Kane County would prevent this very thing from happening in the first place.

We are now faced with the reality that we may not be able to produce rock product which we guaranteed for delivery starting in May as well as the fact that large architectural firms have been specing this product for projects that we may not now be able to serve.

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The unfortunate fact is that the Commission has no way of realizing the impact this recent action will have on the entire Bald Knoll Project and the community of Kanab as a whole. The Commission had considerably more justification to maintain its position and contract than it had justification to change it.

The irony of this entire affair is that the very people which you tried to serve were up front with the facts, loyal to their true cause and willing to work with Kane County now and into the future, your group opted, however, to serve a group with a different agenda. I sincerely hope that this entire affair can be rectified with as little fanfare as possible. I can only hope that we can count on the Kane County Commissioners to help us in our time of need as we intend to continue with our project.

In closing I would like to add that the March Corporation can and will honor its commitments as well as shoulder its share of responsibility with Kane County as well as the citizens of Kanab. You will find that we are very involved in what we do and as a rule we are very successful on projects which we undertake. I think that our contribution to Kane County will be significant if we can all work together for the benefit of all the people that we represent.

Respectfully submitted,
March Corporation


Andrew D. Edwards
President

cc: State Lands & Forestry

Engle & Associates

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